

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suede G. Kelly.

Midwest Independent Transmission System Operator, Inc.	Docket No. ER05-6-035
Midwest Independent Transmission System Operator, Inc., PJM Interconnection, LLC, <i>et al.</i>	Docket No. EL04-135-037
Midwest Independent Transmission System Operator, Inc., PJM Interconnection, LLC, <i>et al.</i>	Docket No. EL02-111-055
Ameren Services Company, <i>et al.</i>	Docket No. EL03-212-051

ORDER ACCEPTING AND SUSPENDING COMPLIANCE FILING, TO BE  
EFFECTIVE SUBJECT TO OUTCOME OF ONGOING PROCEEDINGS

(Issued March 28, 2006)

1. In this order, the Commission accepts for filing proposed tariff revisions submitted by American Electric Power Service Corporation<sup>1</sup> (AEP), Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc (ComEd), Dayton Power and Light Company (Dayton), and Virginia Electric and Power Company, (collectively Applicants). Consistent with the Going Forward Principles and Procedures settlement and prior Commission orders,<sup>2</sup> we will accept and suspend them for a nominal period, to become effective on January 1, 2006, subject to refund and surcharge as appropriate, and to the outcome of the ongoing proceeding in Docket No. ER05-6, *et al.*

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<sup>1</sup> On behalf of Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company.

<sup>2</sup> See *infra* notes 3-6.

## **I. Background**

2. On November 18, 2004, the Commission adopted a new long-term transmission pricing structure, effective December 1, 2004, across the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and PJM Interconnection, L.L.C. (PJM) regions, that eliminates rate pancaking for transmission service under the Midwest ISO and PJM open access transmission tariffs (OATTs) for delivery to load in the Midwest ISO-PJM region.<sup>3</sup> In addition, Midwest ISO, PJM, and their transmission owners were directed to make compliance filings implementing the transitional Seams Elimination Charge/Cost Adjustment/Assignment (SECA) methodology adopted in the November 18 Order on or before November 24, 2004.

3. On February 10, 2005, the Commission accepted for filing the compliance filings that PJM and the PJM Transmission Owners, Midwest ISO and the Midwest ISO Transmission Owners, and AEP, ComEd, and Dayton filed in November, December, and January, suspended them for a nominal period, to become effective December 1, 2004, subject to refund and surcharge as appropriate, and established hearing procedures.<sup>4</sup>

4. On June 16, 2005, the Commission accepted for filing further compliance filings that PJM and the PJM Transmission Owners, Midwest ISO and the Midwest ISO Transmission Owners, and AEP, ComEd, and Dayton filed in February, March, April, and May, suspended them for a nominal period, to become effective on various dates, subject to refund and surcharge as appropriate, established hearing procedures and consolidated them with the ongoing proceedings discussed above.<sup>5</sup> On September 12, 2005 and October 6, 2005, the Commission accepted for filing additional revised compliance filings, suspended them for a nominal period, to become effective on various dates, subject to refund and surcharge as appropriate, established hearing procedures and consolidated them with the ongoing proceedings discussed above.<sup>6</sup>

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<sup>3</sup> *Midwest Independent Transmission System Operator, Inc.*, 109 FERC ¶ 61,168 (2004) (November 18 Order), *reh'g pending*.

<sup>4</sup> *Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 61,107 (2005) (February 10 Order), *reh'g pending*.

<sup>5</sup> *Midwest Independent Transmission System Operator, Inc.*, 111 FERC ¶ 61,409 (2005) (June 16 Order), *reh'g pending*.

<sup>6</sup> *Midwest Independent Transmission System Operator, Inc.*, 112 FERC ¶ 61,267 (2005); *Midwest Independent Transmission System Operator, Inc.*, 113 FERC ¶ 61,010 (2005).

5. Separately, on January 14, 2005, the Commission granted Ormet Primary Aluminum Corporation's (Ormet) request for interim relief. The Commission allowed Ormet to pay, instead of a sub-zonal SECA rate, the SECA rate applicable to AEP for service to AEP's native load until Ormet's specific sub-zonal SECA is finalized, subject to and conditioned upon refunds or surcharges based on the outcome of the SECA compliance filing proceeding and any further proceedings initiated to implement the SECA.<sup>7</sup>

## **II. Description of Filings**

6. Applicants state that this filing revises the SECA charges under Attachment X of the PJM OATT, which sets forth the SECA charges. Applicants assert that the revisions result from applying 2005 peak load billing determinants, in accordance with Paragraph 4 of Attachment X, which requires the SECA charges to be recalculated to reflect annual revisions, to the billing determinants used by PJM to calculate its transmission customers' charges.

7. Applicants request that the proposed tariff sheets be made effective January 1, 2006.

## **III. Notice and Filing**

8. Notice of Applicants' filing, was published in the *Federal Register*, 71 Fed. Reg. 8,295 (2006), with protests and interventions due on or before February 21, 2006. Ormet filed a protest.

9. Ormet protests the SECA mechanism and its impact on Ormet. Ormet reiterates its protests of the original compliance filings amending the PJM OATT to implement the SECA methodology and argues that the SECA methodology violates traditional ratemaking principles. As relevant to this filing, Ormet argues that Applicant's proposed revisions fail to adjust the SECA amounts allocated to Ormet to reflect the interim relief granted Ormet in the January 14 Order.<sup>8</sup>

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<sup>7</sup> *Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 61,022 at P 13 (2005) (January 14 Order).

<sup>8</sup> *See Id.*

#### IV. Discussion

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), the timely, unopposed motion to intervene serves to make Ormet a party to this proceeding.

11. Ormet's arguments generally protesting the implementation of the SECA are outside the scope of this particular filing and proceeding and are more appropriately addressed in the context of Ormet's request for rehearing of the Commission order that adopted the SECA mechanism.<sup>9</sup> Regarding its protest that Applicants' filing does not reflect the Commission's grant of interim relief, the Commission finds that, as initially described in the January 14 Order, Ormet should continue paying the same SECA rate applicable to AEP for service to AEP's native load until Ormet's specific sub-zonal SECA rate is finalized, subject to and conditioned upon refunds or surcharges based on the outcome of the SECA compliance filing proceeding and any further proceedings initiated to implement the SECA.<sup>10</sup>

12. Consistent with the Going Forward Principles and Procedures settlement we will conditionally accept the compliance filing, suspend it for a nominal period and make it effective subject to refund and surcharge as appropriate, and subject to the ongoing proceeding in Docket No. ER05-6, *et al.* Furthermore, consistent with Attachment X, the revised tariff sheets contained in Applicants' filing will be made effective January 1, 2006, as requested.

#### The Commission orders:

The compliance filing is hereby accepted for filing, suspended, to be effective January 1, 2006, as requested, subject to refund or surcharge, and subject to the outcome of the ongoing proceeding in Docket No. ER05-6, *et al.*, as discussed in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>9</sup> See note 3.

<sup>10</sup> See *supra* note 7.